

Opening Statement of the Honorable Judy Biggert
Financial Services Committee
Hearing on
H.R. 6078, Green Resources for Energy Efficient Neighborhoods Act of
2008/ The GREEN Act of 2008
Wednesday, June 11, 2008

I would like to thank Chairman Frank for holding today's hearing on a bill to promote green or energy efficient buildings. I'm especially pleased that our Committee is beginning a dialogue about this issue, because another committee on which I serve, the Science and Technology Committee, has been working diligently in recent years to support the development and deployment of green building technologies.

To further advance this cause, I partnered with my colleague from Missouri, Congressman Carnahan, to establish the High Performance Buildings Caucus. Many of the outside groups that are testifying today and were involved in crafting H.R. 6078 are members of the coalition supporting our Caucus.

At the start of this Congress, I introduced H.R. 84, the Energy Efficient Buildings Act, legislation designed to offset the cost of designing green buildings.

So I certainly understand and appreciate the importance of promoting green construction and energy efficient buildings. But when Americans are facing a crisis in the mortgage market and a crisis at the pump, it is critical that we address those issues by crafting policies that promote both *affordable* energy and *affordable* housing.

Certainly, "high performance" or "green" buildings are critical to addressing climate change, and should save their owners money over the long run. But green buildings cost more up front – sometimes considerably more – which means our federal housing dollars may not go as far.

I think this bill is a good starting point to discuss the best way to promote energy efficient buildings. I look forward to working with my colleagues in this committee to strike the right balance in this bill between its goal to promote green buildings, and the first and overarching goal of federal housing programs, which is to facilitate affordable housing for American families.

I have a couple of questions about the bill, which I hope our witnesses can address. First, I would like to better understand the rating system prescribed for federal housing programs in this bill and how it measures up against other green building standards.

Second, I'm concerned that the limited number of green building raters around the country may not be enough to meet the demand created by this bill. I believe

one state that mandated green assessments had to repeal this requirement because of a lack of qualified energy efficiency raters.

Third, I would like to better understand how a green building would reduce the risk of a mortgage borrower and therefore justify reducing Mortgage Insurance Premiums (MIPs), which the bill does. Incentives to encourage green building are good, as long as they factor in the risk of the mortgage borrower and don't jeopardize the financial stability of federal housing programs.

Finally, at a time of such volatility in the housing market, it may be inappropriate to require the FHA program and GSEs, Fannie Mae and Freddie Mac, to focus significant resources on green mortgages ahead of all other mortgages.

I look forward to today's hearing and testimony on H.R. 6078.